

Bid submitted to buy the Matapedia-Gaspé line

Gilles Gagné

NEW RICHMOND: – Quebec's Department of Transport is submitting a bid to buy the Matapedia to Gaspé rail line. The line's owner has been under court protection since November 21, when one creditor tried to seize the assets. The Gaspésie Railway Society has a debt of \$3.6 million.

On March 2, Transport Minister Robert Poéti was in New Richmond to present his government's proposal. He didn't divulge the amount of money the government is ready to put towards the initiative, since the case must return to court on March 20. The proposal must be accepted by the board of the Gaspésie Railway Society and the four MRCs where the line passes.

The amount would cover the money owed to the creditors, \$3.6 million, and funding for the line's refurbishment, mainly the bridges. The funds would go solely to the two extremities of the line, the Matapedia to Caplan stretch, where the freight traffic is concentrated, and the Gaspé to Percé portion, where the Amiral Tourist Train runs sporadically between May and October.

The Caplan to Percé stretch would be put into a dormant state, "because the cost of repairs are too high,

considering the low potential of traffic over that part of the network," pointed out Minister Poéti.

"The government of Quebec has decided to give Gaspésians back a jewel, to save the railway, so it will not be threatened by dismantling," he said, emphasizing the importance of protecting the 300 jobs linked to railroad activities.

The MRCs of Avignon, Bonaventure, Percé Rock and Côte-de-Gaspé, which formed the Gaspésie Railway Society, have controlled the rail line from Chandler to Gaspé, since 1997 and from Matapedia to Chandler since 2007.

However, the cost of line maintenance and a few questionable decisions, for example, the use of a saline solution as a herbicide in the summer of 2013, put the Gaspésie Railway Society in difficulties by increasing its operating costs and diminishing its revenue sources. On November 21, the company filed for court protection.

On January 22, a group led by businessman Gilles Babin submitted an acquisition bid for the Matapedia to Caplan line, including the locomotives, maintenance cars and the Amiral train. If the scenario had been accepted the four MRCs would have

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remained owners of the Caplan to Gaspé line. Minister Poéti thanked Mr. Babin for the interest shown in the line, even though his bid had been ruled out.

Gaspésie Railway Society, President Éric Dubé, doesn't see how the offer from the Quebec government could be refused. "We will be able to start on a blank canvas," he stated, adding that when he accepted to preside over the public company, its financial status was already a cause for concern.

If Transport-Québec's proposal is accepted, the Gaspésie Railway Society will remain the owner of the locomotives, maintenance cars and the Amiral train, as well as the train stations and some pieces of land.

Éric Dubé intends to make sure that the private sector is involved in the management of the line and will encourage current and potential users to ship more products by rail.

The main challenge will be upgrading the two bridges on the Grand Cascapedia river in order to exploit the Matapedia to Caplan part of track to its full potential, especially for the Rail GD locomotive and car repair facility in New Richmond. Due to the limited bearing capacity of these bridges, Rail GD, owned by Gilles Babin, has been forced to refuse contracts.



Photo: G. Gagné

Rail GD president Gilles Babin.

Minister Poéti didn't say much in that regard, except to point out that maintenance work will be done "within the norms".

Gilles Babin has mixed feelings about the turn of events that unfolded following Minister Poéti's announcement on March 2. "I am relieved because buying a portion of the line would have meant taking on huge responsibilities. It would have taken me partially away from my main business, which is repairing railway rolling material.

On the other hand, I am not totally reassured. What direction will the Gaspésie Railway Society take? If nothing changes, if marketing doesn't improve, we will find ourselves with a closure

two years down the road. How will the money be managed? I think a PPP (private and public partnership) would be the key on the operational side. I am convinced that it would mean better management and better control of expenses. The Gaspésie Railway Society will have to make sound management choices. I am open to participating in the development of the line," he said following Minister Poéti's presentation.

The Quebec government invested \$27 million in the Gaspesian line between the beginning of 2012 and the first quarter of 2014, but only \$350,000, in emergency aid, since the Gaspésie Railway Society filed for court protection in the fall.